



Section 5.1

Activity 5.1.1

1. 'Operations management' is the monitoring, designing, and controlling of the production process by the management of the business.
2. Resources Dell might need in its production process include:
 - Production line labour
 - Raw materials
 - Machinery.
3. Operations management at Dell would want to maintain a close relationship with other departments because:
 - The right number of products are available for the sales and marketing department to sell
 - The operations management department can ask human resource management for the right number of workers
 - The finance department can raise the funds for operations.
4. The advantages to Dell of adopting 'sustainable objectives' might be:
 - It reduces waste and associated costs
 - Attractive to consumers
 - Government subsidies and tax incentives
 - Positive publicity
 - Meets government regulations.

The disadvantages might be:

- It increases the cost of production
- Cost of investment in sustainable capital and technology
- Higher prices for consumers reduces demand
- Production becomes more complex.

Activity 5.1.2

1. 'Sustainable operation' involves using the assets of the company efficiently to allow it to continue functioning profitably over time.
2. FFRC could be described as an ecologically sustainable business because it does not disrupt ecosystems; when it uses discarded flip-flops as raw materials for production it cleans up the local beaches.



3. FFRC could be described as a socially sustainable business because it provides long-term employment for the local community in the craft industry.
4. FFRC might be sustainable in the long term because:
 - Tourism is a growth market
 - Ecological products make the business attractive
 - It has low costs of production
 - It trains people in communities
 - It is ecologically sustainable production

FFRC may not be socially sustainable if:

- Consumer tastes change
- Workers are attracted to higher-paying jobs
- Competition from similar products emerges
- The number of flip-flops being washed up falls.

Exam practice question

1. 'Social sustainability' is the ability of a community to develop processes and structures which not only meet the needs of its current members but also support the ability of future generations to maintain a healthy community.
2. Responsibletravel.com could manage its operations in a socially sustainable way by:
 - Using hotels and apartments that are socially sustainable
 - Promoting their holidays to customers who act in a socially sustainable way
 - Having policies and systems that are socially sustainable in local tourist areas.
3. Benefits of Responsibletravel.com being socially responsible might include:
 - Being attractive to socially aware consumers
 - Strong brand identity in a competitive market
 - Government support in local tourist markets.
4. The advantages of Responsibletravel.com being socially and ecologically responsible might be:
 - Being attractive to socially aware consumers
 - Having a strong brand identity in a competitive market
 - Gaining government support in local tourist markets
 - Being attractive as an employer
 - Growth market

The disadvantages might be:



- Currently a niche market so limited demand
- Higher costs of operating
- New competition in the market.

Key concept question

The impact of innovation on sustainable operations management might be:

- Development of sustainable production methods
- Entry into sustainable markets
- Development of sustainable products
- Accessing sustainable raw materials.

The impact ethics might have on sustainable operations management might include:

- Owners and managers setting sustainable objectives
- Employees working in a sustainable way
- Consumers seeing the importance of sustainability
- Government supporting sustainability.